

§ 543.16

25 CFR Ch. III (4–1–16 Edition)

an agent(s) with authority equal to or greater than those being supervised.

(b) *Establishment of lines of credit policy.* (1) If a gaming operation extends lines of credit, controls must be established and procedures implemented to safeguard the assets of the gaming operation. Such controls must include a lines of credit policy including the following:

- (i) A process for the patron to apply for, modify, and/or re-establish lines of credit, to include required documentation and credit line limit;
- (ii) Authorization levels of credit issuer(s);
- (iii) Identification of agents authorized to issue lines of credit;
- (iv) A process for verifying an applicant's credit worthiness;
- (v) A system for recording patron information, to include:

(A) Name, current address, and signature;

(B) Identification credential;

(C) Authorized credit line limit;

(D) Documented approval by an agent authorized to approve credit line limits;

(E) Date, time and amount of credit issuances and payments; and

(F) Amount of available credit.

(vi) A process for issuing lines of credit to:

(A) Verify the patron's identity;

(B) Notify the patron of the lines of credit terms, including obtaining patron's written acknowledgment of the terms by signature;

(C) Complete a uniquely identified, multi-part, lines of credit issuance form, such as a marker or counter check, which includes the terms of the lines of credit transaction;

(D) Obtain required signatures;

(E) Determine the amount of the patron's available lines of credit;

(F) Update the credit balance record at the time of each transaction to ensure that lines of credit issued are within the established limit and balance for that patron; and

(G) Require the agent issuing the lines of credit to be independent of the agent who authorized the lines of credit.

(vii) A policy establishing credit line limit exceptions to include the following:

(A) Identification of the agent(s) authorized to permit a credit line limit to be exceeded;

(B) Authorization thresholds; and

(C) Required documentation.

(viii) A policy governing increases and decreases to a patron's lines of credit account balances to include the following:

(A) Documentation and record keeping requirements;

(B) Independence between the department that receives the payment and the department that maintains custody of the credit balance for payments made by mail;

(C) Collections;

(D) Periodic audits and confirmation of balances; and

(E) If a collection agency is used, a process to ensure documentation of increases and decreases to the lines of credit account balances.

(ix) A policy governing write-offs and settlements to include:

(A) Identification of agent(s) authorized to approve write-offs and settlements;

(B) Authorization levels for write-offs and settlements of lines of credit instruments;

(C) Required documentation for write-offs and settlements;

(D) Independence between the agent who established the lines of credit and the agent writing off or settling the lines of credit instrument; and

(E) Necessary documentation for the approval of write-offs and settlements and transmittal to the appropriate department for recording and deductibility.

(c) *Variances.* The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

§ 543.16 [Reserved]

§ 543.17 What are the minimum internal control standards for drop and count?

(a) *Supervision.* Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.